

Estimated Hearing Date: June 12, 2019 at 9:30 a.m. (Atlantic Standard Time)
Objection Deadline: April 15, 2019 at 4:00 p.m. (Atlantic Standard Time)

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 1063, 1150, 1715,
3269**

(Jointly Administered)

**SUMMARY OF FIFTH INTERIM APPLICATION OF O'MELVENY & MYERS LLP
FOR ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE PUERTO RICO FISCAL
AGENCY AND FINANCIAL ADVISORY AUTHORITY FOR THE PERIOD FROM
OCTOBER 1, 2018 THROUGH JANUARY 31, 2019**

Name of Applicant:	O'Melveny & Myers LLP
Authorized to Provide Professional Services to:	Puerto Rico Fiscal Agency and Financial Advisory Authority (" <u>AAFAF</u> ") as the entity authorized to act on behalf of the Commonwealth of Puerto Rico
Period for which compensation and reimbursement are sought:	October 1, 2018 through January 31, 2019
Amount of Compensation sought as actual, reasonable, and necessary:	\$4,402,648.26

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Amount of Expense Reimbursement sought as \$136,119.82
actual, reasonable, and necessary:

This is a(n): ___ monthly X interim ___ final application

- Blended Rate in this application for attorneys: \$773 /hr
- Blended Rate in this application for all timekeepers: \$677/hr

Prior Monthly Fee Statements:

Compensation Period	Fees Requested	Expenses Requested
May 3, 2017 - May 31, 2017	\$2,048,886.95	\$38,076.22
June 1, 2017 - June 30, 2017	\$2,019,150.05	\$42,703.98
July 1, 2017 - July 31, 2017	\$1,463,365.30	\$14,041.60
August 1, 2017 - August 31, 2017	\$2,269,785.59	\$35,660.50
September 1, 2017 - September 30, 2017	\$2,192,078.21	\$53,644.33
October 1, 2017 - October 31, 2017	\$1,713,317.35	\$20,978.93
November 1, 2017 - November 30, 2017	\$2,016,058.90	\$14,978.51
December 1, 2017 - December 31, 2017	\$1,911,030.47	\$50,773.84
January 1, 2018 - January 31, 2018	\$1,924,690.87	\$35,684.27
February 1, 2018 - February 28, 2018	\$1,616,970.91	\$33,903.35
March 1, 2018 - March 31, 2018	\$1,841,854.86	\$35,454.35
April 1, 2018 - April 30, 2018	\$1,619,214.28	\$13,499.11
May 1, 2018 - May 31, 2018	\$1,851,763.31	\$18,580.83
June 1, 2018 - June 30, 2018	\$1,900,914.83	\$22,905.47
July 1, 2018 - July 31, 2018	\$2,490,156.76	\$66,078.78
August 1, 2018 - August 31, 2018	\$1,873,894.98	\$21,508.39
September 1, 2018 - September 30, 2018	\$909,216.48	\$22,647.11
October 1, 2018 - October 31, 2018	\$1,076,968.41	\$51,224.53
November 1, 2018 - November 30, 2018	\$1,662,802.66	\$18,681.31
December 1, 2018 - December 31, 2018	\$743,277.29	\$30,995.84
January 1, 2019 - January 31, 2019	\$859,692.31	\$35,218.14
TOTAL INCURRED:	\$36,005,090.77	\$677,239.39

Payments Made to Date:

Compensation Period	Fees Paid	Expenses Paid
May 3, 2017 - May 31, 2017	\$2,048,886.95	\$38,076.22
June 1, 2017 - June 30, 2017	\$2,019,150.05	\$42,703.98
July 1, 2017 - July 31, 2017	\$1,463,365.30	\$14,041.60
August 1, 2017 - August 30, 2017	\$2,269,785.59	\$35,660.50
September 1, 2017 - September 30, 2017	\$2,192,078.21	\$53,644.33
October 1, 2017 - October 31, 2017	\$1,713,317.35	\$20,978.93
November 1, 2017 - November 30, 2017	\$2,016,058.90	\$14,978.51
December 1, 2017 - December 31, 2017	\$1,911,030.47	\$50,773.84
January 1, 2018 - January 31, 2018	\$1,924,690.87	\$35,684.27
February 1, 2018 - February 28, 2018	\$1,455,273.82	\$33,903.35
March 1, 2018 - March 31, 2018	\$1,657,669.37	\$35,454.35
April 1, 2018 - April 30, 2018	\$1,457,292.85	\$13,499.11
May 1, 2018 - May 31, 2018	\$1,666,586.98	\$18,580.83
June 1, 2018 - June 30, 2018	\$1,710,823.35	\$22,905.47
July 1, 2018 - July 31, 2018	\$2,241,141.08	\$66,078.78
August 1, 2018 - August 31, 2018	\$1,686,505.48	\$21,508.39

September 1, 2018 - September 30, 2018	\$818,294.83	\$22,647.11
October 1, 2018 - October 31, 2018	\$969,271.56	\$51,224.53
TOTAL PAID:	\$31,221,223.01	\$592,344.10

TABLE OF SCHEDULES AND EXHIBITS

Schedule A - List and Summary of Hours by Professional

Schedule B - Summary of Hours and Compensation by Matter Code

Schedule C - Expense Summary

Schedule D - Customary and Comparable Disclosures

Exhibit A - Attorney Certification

Exhibits B1 - B4 - Detailed Time and Expense Records

Schedule A

LIST AND SUMMARY OF HOURS AND COMPENSATION BY PROFESSIONAL²

Timekeeper Name	Title	2019 Rate ³	Total Hours	Total Fees
AMALIA Y. SAX-BOLDER	Associate	654.50	533.8	\$344,305.95
AMBER L. COVUCCI	Associate	654.50	163.4	\$106,555.61
ANDREW NADLER	Paralegal	330.00	181.9	\$58,923.40
ANDREW SORKIN	Counsel	706.31	18.9	\$13,237.05
ASHLEY PAVEL	Counsel	727.50	323.0	\$232,025.43
BRANDON D. HARPER	Associate	654.50	112.9	\$73,771.08
BRETT BAUTISTA	Lit Support	245.25	93.4	\$22,906.40
BRETT M. NEVE	Associate	654.50	233.5	\$151,326.43
BRIAN M. ARKIN	Lit Support	133.75	94.2	\$12,503.76
DANIEL S. SHAMAH	Partner	805.02	72.3	\$58,068.67
DIANA M. PEREZ	Counsel	765.00	212.9	\$161,404.80
ELIZABETH L. MCKEEN	Partner	845.75	196.6	\$163,184.21
EPHRAIM A. MCDOWELL	Associate	477.50	160.6	\$76,686.50
FABIOLA TORCHON	Contract Atty	70.00	11.0	\$770.00
GABRIEL BENCOMO	Contract Atty	70.00	190.0	\$13,300.00
GARO HOPLAMAZIAN	Counsel	743.75	73.0	\$52,862.48
HUMBERTO GONZALEZ	Contract Atty	70.00	74.0	\$5,180.00
IAN BOISVERT	Contract Atty	70.00	13.5	\$945.00
IRENE BLUMBERG	Associate	432.75	487.6	\$207,456.86
JACOB T. BEISWENGER	Counsel	678.25	111.3	\$73,093.08
JASON M. MONTALVO	Lit Support	258.75	54.5	\$13,966.27
JEFFREY CRANDALL	Contract Atty	70.00	206.2	\$14,434.00
JOHN J. RAPISARDI	Partner	1,190.00	336.1	\$396,818.25
JOHN PAOLO DALOG	Lit Support	208.17	57.6	\$12,051.30
JON ESPINOZA	Lit Support	229.11	29.0	\$6,680.18
JOSE TREJO	Contract Atty	70.00	91.5	\$6,405.00
JOSEPH A. SPINA	Associate	654.50	255.0	\$164,823.99
JOSEPH L. ROTH	Associate	477.50	335.6	\$157,541.90
JOSEPH ZUJKOWSKI	Partner	811.75	112.1	\$87,680.97
JOSHUA NDUKWE	Contract Atty	70.00	208.0	\$14,560.00
LIZ GARNETTE	Lit Support	211.39	19.5	\$4,125.05
LORENA ORTEGA	Staff Attorney	338.94	120.3	\$40,879.91
MADHU POCHA	Counsel	731.75	184.1	\$133,829.41
MARIA J. DICONZA	Partner	892.50	114.8	\$100,508.25
MARO ORTE	Contract Atty	70.00	167.5	\$11,725.00
MARY-LYNNE BANCONE	Librarian	154.96	17.9	\$2,743.10
MATTHEW HINKER	Counsel	750.50	97.2	\$72,706.31
MATTHEW P. KREMER	Counsel	722.50	255.3	\$183,774.25

² Prior to the submission of this Interim Fee Application, OMM has voluntarily wrote off 81.6 hours and \$23,589.94 in fees incurred by all timekeepers billing less than 10 hours during this Compensation Period.

³ OMM has agreed to honor its 2018 hourly rates through June 30, 2019. The billing rates for certain timekeepers have been adjusted as of January 1, 2019 to reflect promotions effective as of that date.

MELISANDE C. LOEPPERT	Lit Support	233.75	107.4	\$25,104.79
MICHAEL F. LOTITO	Counsel	733.36	19.4	\$14,340.45
NANCY MITCHELL	Partner	1,092.50	146.3	\$156,916.38
NUVIET NGUYEN NAZARIAN	Lit Support	310.41	55.6	\$17,330.15
PETER FRIEDMAN	Partner	914.75	209.0	\$189,704.16
RICHARD HOLM	Counsel	722.50	202.1	\$144,442.24
ROGER YANG	Associate	401.75	39.7	\$15,949.51
SAMANTHA M. INDELICATO	Associate	432.75	179.0	\$76,142.23
SHEILA AGNEW	Contract Atty	70.00	207.5	\$14,525.00
STEPHANIE DROTAR	Associate	654.50	17.7	\$11,584.65
SUNG PAK	Partner	828.54	64.0	\$53,298.08
SUZZANNE UHLAND	Partner	1,115.50	257.7	\$283,881.55
TOM ROSSO	Associate	520.20	21.7	\$11,284.60
VICTOR M. NAVARRO	Lit Support	210.20	54.1	\$11,368.75
WAYNE JACOBSEN	Partner	1,062.50	23.4	\$24,862.50
WENDY RYU	Contract Atty	70.00	205.6	\$14,392.00
WILLIAM SUSHON	Partner	913.75	92.9	\$83,761.37
TO TAL			7,923.1	\$4,402,648.26

Schedule B

SUMMARY OF HOURS AND COMPENSATION BY MATTER CODE

Task Code	Total Billed Hours	Total Fees Requested
<i>Commonwealth Title III Case</i>		
ASSET ANALYSIS AND RECOVERY	12.5	\$5,560.30
ASSUMPTION AND REJECTION OF LEASES AND CONTRACTS	15.0	\$12,350.28
BUSINESS OPERATIONS	1.7	\$1,477.00
CASE ADMINISTRATION	533.2	\$210,295.42
CLAIMS ADMINISTRATION AND OBJECTIONS	25.1	\$19,900.76
CORPORATE GOVERNANCE AND BOARD MATTERS	4.2	\$3,258.05
EMPLOYEE BENEFITS AND PENSIONS	2.3	\$2,218.50
FEE APPLICATIONS	155.6	\$100,812.78
HEARINGS	19.2	\$10,405.89
LITIGATION	803.5	\$524,173.59
MEDIATION	183.6	\$145,034.30
MEETINGS AND COMMUNICATIONS WITH CREDITORS	10.5	\$7,224.85
PLAN OF ADJUSTMENT	1,077.9	\$960,064.25
RELIEF FROM STAY AND ADEQUATE PROTECTION	27.0	\$19,572.31
REPORTING	76.0	\$49,947.12
VENDOR AND OTHER CREDITOR ISSUES	15.2	\$11,413.35
COMMONWEALTH TOTAL	2,962.5	\$2,083,708.75
<i>Non-Title III and Other Matters</i>		
AMBAC ASSURANCE CORPORATION V. COMMONWEALTH OF PUERTO RICO, ET AL.	120.3	\$68,618.31
AMERICAN FEDERATION OF STATE, COUNTY & MUNICIPAL EMPLOYEES, AFL-CIO V. FIN. OVERSIGHT & MGMT. BD. FOR PUERTO RICO, ET AL.	12.0	\$9,524.81
AMERICAN FEDERATION OF TEACHERS, ET AL. V. COMMONWEALTH	15.7	\$14,361.60
ASSURED GUARANTY CORP., ET AL. V. COMMONWEALTH OF PUERTO RICO, ET AL.	11.2	\$8,599.89
COMMONWEALTH - CORPORATE AND FOMB MATTERS	800.9	\$468,729.54
COMMONWEALTH - PENSIONS	13.9	\$9,602.03
FOMB INVESTIGATION	118.9	\$70,407.35
JRS/TRS	20.2	\$13,423.52
PBA	165.6	\$125,225.71
COMMONWEALTH - PREPA	3,015.7	\$1,021,513.53
PRIDCO	50.7	\$36,137.65
PRIFA	346.5	\$263,428.99

Task Code	Total Billed Hours	Total Fees Requested
ROSSELLO V. FOMB	121.3	\$74,525.14
UPR	232.5	\$158,655.38
NON-TITLE III TOTAL	5,045.4	\$2,342,753.45
SUBTOTAL	8,007.9	\$4,426,462.20
LESS ADJUSTMENTS FOR TRANSITORY TIMEKEEPERS ⁴	(81.6)	(\$23,589.94)
<u>GRAND TOTAL</u>	7,926.30	\$4,402,872.26

⁴ See footnote 4.

Schedule C

EXPENSE SUMMARY

Description	Total
Copying	\$7,311.90
Court Fees / Filing Fees	\$231.00
Data Hosting Fee	\$45,720.95
Delivery Services / Messengers	\$584.85
Out of Town Travel	\$35,722.91
Local Travel	\$1,999.08
Meals	\$522.40
Online Research	\$2,823.42
Other (including Data Hosting)	\$39,799.91
RELATIVITY	\$1,200.00
Trial Transcripts	\$176.40
TOTAL	\$136,119.82

Schedule D

CUSTOMARY AND COMPARABLE DISCLOSURES

Category of Timekeeper	Blended Hourly Rate	
	Billed OMM's Domestic Offices for FY2018 (Excluding Restructuring Matters)	Billed This Case During the Compensation Period
Partner	1,019	934
Counsel/Associate	659	612
Paralegal/Other	282	246
Aggregated	737	677

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 1063, 1150, 1715,
3269**

(Jointly Administered)

**FIFTH INTERIM APPLICATION OF O'MELVENY & MYERS LLP FOR
ALLOWANCE OF COMPENSATION FOR SERVICES RENDERED AND FOR
REIMBURSEMENT OF EXPENSES AS COUNSEL TO THE PUERTO RICO FISCAL
AGENCY AND FINANCIAL ADVISORY AUTHORITY FOR THE PERIOD FROM
OCTOBER 1, 2018 THROUGH JANUARY 31, 2019**

O'Melveny & Myers LLP ("OMM"), as counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF") as the entity authorized to act on behalf of the Commonwealth of Puerto Rico, the Puerto Rico Sales Tax Financing Corporation, the Puerto Rico Highways and Transportation Authority, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, the Puerto Rico Electric Power Authority (collectively, the "Debtors"), and certain other public corporations and instrumentalities of the Government of

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Puerto Rico, pursuant to the authority granted to it under the *Enabling Act of the Fiscal Agency and Financial Advisory Authority, Act 2-2017*, makes its fifth interim application (this “Application”) for allowance of compensation, under sections 316 and 317 of PROMESA, of \$4,402,648.26 and reimbursement of expenses of \$136,119.82 for the period from October 1, 2018 through January 31, 2019 (the “Compensation Period”) in accordance with (i) the *First Amended Order Setting Procedures for Interim Compensation and Reimbursement of Expenses of Professionals*, dated November 8, 2017 [ECF No. 1150], as amended [ECF Nos. 1715, 3269] (the “Interim Compensation Order”), and (ii) the *Memorandum Regarding Fee Review – Timeline and Process*, dated November 10, 2017 (the “Fee Examiner Guidelines”). In support of this Application, OMM respectfully states as follows:

BACKGROUND

1. On May 3, 2017, the Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the Commonwealth’s representative pursuant to section 315(b) of PROMESA, filed a petition with the Court under title III of PROMESA.

2. On May 5, 2017, the Puerto Rico Sales Tax Financing Corporation (“COFINA”), by and through the Oversight Board, as COFINA’s representative pursuant to PROMESA section 315(b), filed a petition with the Court under title III of PROMESA.

3. On May 21, 2017, the Puerto Rico Highways and Transportation Authority (“HTA”), by and through the Oversight Board, as HTA’s representative pursuant to PROMESA section 315(b), filed a petition with the Court under title III of PROMESA.

4. On May 21, 2017, the Employees Retirement System for the Commonwealth of Puerto Rico (“ERS”), by and through the Oversight Board, as ERS’s representative pursuant to PROMESA section 315(b), filed a petition with the Court under title III of PROMESA.

5. On July 3, 2017, the Puerto Rico Electric Power Authority (“PREPA”), by and through the Oversight Board, as PREPA’s representative pursuant to PROMESA section 315(b), filed a petition with the Court under title III of PROMESA.

6. Through Orders of this Court, the Commonwealth, COFINA, HTA, ERS, and PREPA Title III Cases (together, the “Title III Cases”) are jointly administered for procedural purposes only, pursuant to PROMESA section 304(g) and Bankruptcy Rule 1015 [ECF Nos. 242, 537, 1417].

7. On October 6, 2017, the Court entered the *Order Pursuant to PROMESA Sections 316 and 317 and Bankruptcy Code Section 105(a) Appointing a Fee Examiner and Related Relief* [ECF No. 1416], which appointed Brady Williamson of Godfrey & Kahn, S.C. to serve as Fee Examiner in the Title III Cases. To date, OMM has worked cooperatively with the Fee Examiner to ensure that AAFAF is provided with cost-effective and efficient services.

8. On December 15, 2017, OMM filed the *First Interim Application of O’Melveny & Myers LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Advisory Authority for the Period From May 3, 2017 through September 30, 2017* [ECF Nos. 2062] (“OMM Commonwealth First Interim Fee Application”) seeking compensation in the amount of \$9,990,147.15, and reimbursement of expenses in the amount of \$184,126.63.

9. Pursuant to the *Fee Examiner’s Initial Report*, filed on March 1, 2018 (the “Initial Report”), the Fee Examiner recommended approval for \$9,727,222.50 in fees and \$173,088.87 in expenses in connection with the OMM Commonwealth First Interim Fee Application [ECF No. 2645]. On March 7, 2018, such fees and expenses were approved pursuant to the *Omnibus Order Award Interim Allowance of Compensation for Professional Services Rendered and*

Reimbursement of Expenses for the First Interim Compensation Period from May 3, 2017 through September 30, 2017 [ECF No. 2685] (the “First Omnibus Compensation Order”).

10. On March 19, 2018, OMM filed the *Second Interim Application of O’Melveny & Myers LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Advisory Authority for the Period From October 1, 2017 through January 31, 2018* [ECF No. 2758] (“OMM Commonwealth Second Interim Fee Application”) seeking compensation in the amount of \$7,565,097.59, and reimbursement of expenses in the amount of \$122,415.55.

11. Pursuant to the *Fee Examiner’s Second Report on Professional Fees and Expenses (October 1, 2017–January 31, 2018)*, filed on May 30, 2018 (the “Second Report”), the Fee Examiner recommended approval for \$7,515,279.22 in fees and \$121,120.48 in expenses in connection with the OMM Commonwealth Second Interim Fee Application [ECF No. 3193]. On June 8, 2018, such fees and expenses were approved pursuant to the *Omnibus Order Awarding Interim Allowance of Compensation for Professional Services Rendered and Reimbursement of Expenses for the First Interim Compensation Period from October 1, 2017 through January 31, 2018* [ECF No. 3279] (the “Second Omnibus Compensation Order”).

12. On July 19, 2018, OMM filed the *Third Interim Application of O’Melveny & Myers LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Advisory Authority for the Period From February 1, 2018 through May 31, 2018* [ECF No. 3581] (“OMM Commonwealth Third Interim Fee Application”) seeking compensation in the amount of \$6,871,237.76, and reimbursement of expenses in the amount of \$101,437.64.

13. On November 16, 2018, OMM filed the *Fourth Interim Application of O’Melveny*

& Myers LLP for Allowance of Compensation for Services Rendered and for Reimbursement of Expenses as Counsel to the Puerto Rico Fiscal Agency and Advisory Authority for the Period From June 1, 2018 through September 30, 2018 [ECF No. 4298] (“OMM Commonwealth Fourth Interim Fee Application”) seeking compensation in the amount of \$4,967,118.86, and reimbursement of expenses in the amount of \$125,613.01.

14. On November 7, 2018, after several months of contentious litigation and negotiations, this Court approved the Government Development Bank (“GDB”) Qualifying Modification (the “Qualifying Modification”). This landmark restructuring, which covers the first \$4.5 billion of Puerto Rico’s total \$72 billion debt, represents the first major restructuring accomplished in Puerto Rico’s 10-year fiscal crisis.

15. Leading up to confirmation, OMM overcame a series of legal challenges to ensure that every objection to the Qualifying Modification was consensually resolved and included several contested Court hearings to determine (i) the procedures to govern the Title VI process; (ii) whether the Qualifying Modification constituted a violation of the Commonwealth’s automatic stay, (iii) whether the Committee had standing to object to the Qualifying Modification; and (iv) approval of the Qualifying Modification pursuant to section 601 of PROMESA.

16. Following the Court’s approval of the Qualifying Modification, OMM’s corporate team worked extensively to negotiate and finalize all transaction documents, including the Bond Indenture, Transfer Agreement, Collateral Monitor Agreement, Continuing Disclosure Agreement, Keepwell Agreement, and the Public Entity Deed of Trust. The Qualifying Modification went effective on November 29, 2019 and the Title VI case was closed on November 30, 2019. OMM represented GDB through its Title VI proceeding.

COMPENSATION REQUESTED BY OMM

17. OMM executed (i) an engagement letter with AAFAF and the Puerto Rico Treasury Department for all work related to the pending Title III cases during Puerto Rico's 2019 fiscal year (the "Title III Engagement Letter"), and (ii) a separate engagement letter with AAFAF for all work unrelated to the pending Title III cases during Puerto Rico's 2019 fiscal year (the "Non-Title III Engagement Letter" and together with the Title III Engagement Letter, the "Engagement Letters"). OMM has also (i) agreed to be paid directly by the Government Development Bank ("GDB") for all OMM work related to the GDB Title VI restructuring during Puerto Rico's 2019 fiscal year,² and (ii) signed engagement letters with both the Puerto Rico Electric Power Authority ("PREPA") and the Puerto Rico Aqueduct and Sewer Authority ("PRASA") for services to be provided to these agencies during Puerto Rico's 2019 fiscal year (hereinafter, the "PREPA Engagement Letter" and the "PRASA Engagement Letter").

18. OMM's hourly rates are set at a level designed to compensate OMM fairly for the work of its attorneys and paraprofessionals and are disclosed in detail in the Engagement Letter. In light of the unique facts and circumstances of Puerto Rico's debt restructuring, OMM agreed to provide a 15% discount on all fees incurred under the Engagement Letters, which is reflected in all Monthly Fee Statements submitted during the Compensation Period.³

19. OMM's rates are appropriate for complex corporate, securities, litigation, and restructuring matters, whether in court or otherwise. The rates and rate structure reflect that such complex matters typically involve great complexity, high stakes, and intense time pressures. OMM submits that the compensation requested is reasonable in light of the nature, extent, and

² As a result of OMM's agreement with GDB, OMM will no longer be including its invoices related to GDB work in its interim fee applications or monthly fee statements.

³ OMM has agreed to honor its 2018 hourly rates through June 30, 2019. The billing rates for certain timekeepers have been adjusted as of January 1, 2019 to reflect promotions effective as of that date.

value of such services provided to AAFAF.

20. During the Compensation Period, OMM did not receive any payments or promises of payment from any other source for services rendered or to be rendered in any capacity whatsoever in connection with the matters covered by this Application. There is no agreement or understanding between OMM and any other person, other than partners of the firm, for sharing of compensation to be received for services rendered in these cases.⁴

SUMMARY OF SERVICES

21. The Compensation Period was an extremely busy and productive time for OMM in connection with both the Title III Cases and out-of-court restructuring efforts related to other entities and instrumentalities. Detailed descriptions of the specific services provided and the time expended performing such services are attached as **Exhibit B**, and a summary of the services OMM provided during the Compensation Period is set forth below and in the summaries for each of the main invoice tasks codes.

Confirmation of COFINA Plan of Adjustment

22. On the heels of OMM leadership on the first-ever Qualifying Modification for the Government Development Bank of Puerto Rico, the recently consummated COFINA transactions restructured approximately 24% of Puerto Rico's \$72 billion of funded debt and were implemented through the first-ever plan of its kind, a plan of adjustment (the "COFINA Plan") under Title III of PROMESA. As lead restructuring counsel to AAFAF, OMM not only played an instrumental role in the development, negotiation, and implementation of the COFINA Plan but in also in each

⁴ At AAFAF's request, OMM engaged contract attorneys to provide document review services in connection with certain litigation matters at discounted rates. The fees for such contract attorneys were billed to AAFAF at cost and disclosed in OMM's fee applications.

phase of the COFINA restructuring.

23. During the Compensation Period, the OMM team (i) assisted in preparation of the scheduling motion establishing all key dates for the COFINA plan confirmation process, (ii) worked to resolve a variety of disclosure issues and Disclosure Statement objections in advance on November 20th Disclosure Statement hearing, (iii) worked closely with AAFAF, Prime Clerk and other parties on the various solicitation materials and other Disclosure Statement exhibits, (iv) advised AAFAF with respect to all amendments made to the COFINA Plan prior to the Confirmation Hearing, (v) played an integral role in negotiation of all the complex agreements included in the Plan Supplement, including the Master Indenture governing the new COFINA Bonds issued under the COFINA Plan, the Instruction Agreement⁵ (concerning the collection and application of sales and use tax revenues), the trust agreements contemplated under the COFINA Plan to facilitate insures distributions on account of bonds insured by certain monoline insurers, and the bylaws for reorganized COFINA, (vi) advised AAFAF with respect to amendments to the legislation passed by the Puerto Rico legislature necessary for implementation of the COFINA Plan, (vii) advised AAFAF on the composition of the new board of directors of reorganized COFINA and other corporate governance issues, (viii) worked closely with the plan support parties' advisors on the proposed Confirmation Order and related findings of fact and conclusions of law and the various revisions to each made in advance of confirmation, (ix) advised AAFAF on objections to the COFINA Plan filed by various parties, (x) attended the Confirmation Hearing and assisted in preparation of the substantial post-hearing briefing requested by the Court, and (xi) worked to finalize the various Plan Supplement documents and resolve other issues necessary to achieve the effectiveness of the COFINA Plan on February 12th.

⁵ Note that certain capitalized terms in this section have the definition ascribed to them in the COFINA Plan of Adjustment.

24. The COFINA Plan provides clear economic benefits to Puerto Rico. In addition to settling the Commonwealth-COFINA Dispute, once and for all, it provides COFINA with more than \$17 billion in debt service savings and provides the Government of Puerto Rico with access to \$425 million annually, on average, for the next 40 years—money that was used in the past to pay the COFINA debt. With OMM’s counsel, the Government of Puerto Rico is able to turn the page from this chapter of its unprecedented fiscal crisis and move forward with creative solutions for its remaining funded debt.

Title III Cases

25. The Compensation Period was also an extremely active time in the Commonwealth, HTA, and ERS Title III cases. In addition to all of the work summarized in the task code summaries below, OMM was also at the forefront of plan of adjustment and fiscal plan discussions with the Oversight Board, various creditor groups, and other stakeholders, represented AAFAF’s interests in various bondholder initiated litigation, prepared for and participated in various mediation sessions, and counseled AAFAF on numerous corporate governance and compliance issues.

Other Restructuring Efforts

26. Finally, OMM successfully advanced the out-of-court restructuring efforts of several other entities and instrumentalities. During the Compensation Period, for example, OMM:

- Analyzed potential restructuring transactions for the Puerto Rico Public Building Authority (“PBA”) and assisted PBA in responding to various due diligence inquiries from creditor groups;
- Negotiated and finalized a settlement agreement with Voya Institutional Trust Company regarding the suspension of lump-sum payments to participants in the University of Puerto Rico’s (“UPR”) deferred compensation plan; and
- Engaged in confidential negotiations, analysis and discussions with various constituencies in the Title III cases.

27. As a result of all of these various work streams, OMM submits that the fees and

expenses for which its seeks approval were reasonable and necessary. All fees were also billed at a 15% discount to OMM's hourly rates.

28. Additionally, OMM has established subject matters categories (each, a "Matter Category") for keeping time records of the work performed for the Debtors. The following is a summary, by Matter Category, of the professional services provided by OMM during the Compensation Period.⁶

a) Case Administration

29. This category includes all matters relating to general case administration and coordination, and serves as a general code for services performed that do not fit under any other specific code. During the Compensation Period, OMM prepared daily and weekly updates detailing each filing and pleading in the Title III cases and related adversary proceedings, and kept an up-to-date master litigation calendar. OMM attorneys continually updated the key documents library for client reference, consisting of significant substantive court decisions, prior work product, and research memoranda.

b) Corporate Governance

30. This category includes all corporate governance advice provided in connection with the Title III cases, including correspondence and other communication with the Oversight Board and monitoring compliance with the Commonwealth's Fiscal Plan. During the Compensation Period, OMM assisted AAFAF with various issues related to the fiscal plans and legislative initiatives. OMM attorneys monitored, and frequently attended, the Oversight Board public

⁶ Several of the matter categories do not appear in this summary because OMM did not bill a substantial amount of time under those categories during the Compensation Period. **Exhibit B** provides a complete summary of hours billed and total compensation requested by matter category.

listening sessions. OMM attorneys also reviewed and analyzed Oversight Board policies relating to Executive Orders. Additionally, OMM attorneys drafted responses to credit requests for disclosure of fiscal plan development materials. This category also consists of meetings with creditors, financial advisors, and the restructuring team consisting of members from AAFAP, Rothschild, Ankura, and Bank of America Merrill Lynch.

c) Employee Benefits and Pensions

31. This category includes all time spent by OMM attorneys on matters related to employees of the Debtors, including the handling of union grievances and arbitrations. During the Compensation Period, OMM attorneys reviewed and researched pension plan issues and continued to address various issues related to union grievances filed against the Commonwealth.

d) Litigation

32. This category includes analysis, preparation, and prosecution of adversary proceedings or other litigation that is not included in a separate litigation matter number. All work related to Rule 2004 motions is included in this category.

e) Relief from Stay and Adequate Protection

33. This category includes all matters relating to requests for relief from the automatic stay or for adequate protection, including assisting the Commonwealth to respond, defend, and settle such requests. During the Compensation Period, OMM analyzed the applicability of the automatic stay to pending federal and state litigation against the Commonwealth, reviewed an objection to the sixth omnibus motion to lift the stay, and responded to dozens of requests to lift the stay, either by motion or lift stay notice. OMM frequently conferred with movants and the Oversight Board in an attempt to resolve motions consensually, and when consensual resolution

was reached, OMM drafted stipulations outlining the agreements.

f) Mediation

34. This category includes all work, time, and communications related to the Title III mediation process. During the Compensation Period, OMM attorneys held frequent conferences to update creditors and assisted AAFAF and other professionals retained by AAFAF to respond to questions submitted in advance of and during the mediation sessions.

g) Plan of Adjustment

35. This category includes all work done regarding the negotiation and drafting of plans of adjustment. During the Compensation Period, OMM professionals researched various issues regarding plans of adjustment and drafted relevant strategic memoranda analyzing multiple plan related issues. OMM attorneys also prepared numerous comprehensive restructuring strategy presentation for AAFAF. In addition, OMM professionals closely worked and coordinated with AAFAF and its financial advisors in evaluating potential capital and financial structures.

h) Commonwealth-General Corporate Matters

36. This category includes corporate matters not directly related to the Title III Cases. During the Compensation Period, OMM attorneys prepared letters on behalf of AAFAF in connection with various transactions, advised AAFAF in preparation for Oversight Board meetings, and attended the same. OMM attorneys also attended conferences with financial advisors, analyzed various issues regarding nondisclosure agreements, and engaged in strategic discussions on behalf of AAFAF.

i) Commonwealth-UPR

37. This category includes all matters relating to AAFAF in connection with ongoing restructuring efforts related to UPR, which at the present time is not a Title III debtor. During the Compensation Period, OMM professionals continued discussions regarding a potential Title VI

restructuring transaction. OMM professionals also negotiated and prepared a settlement agreement in connection with the suspension of lump-sum payments to participants in UPR's deferred compensation plan.

j) Commonwealth-PBA

38. This category includes all matters relating to AAFAF in connection with ongoing restructuring efforts related to Puerto Rico Public Buildings Authority ("PBA"), which at the present time is not a Title III debtor. During the Compensation Period, OMM professionals analyzed potential restructuring transactions for PBA, including preparing a presentation detailing issues related to collateral security. OMM also continued discussions with two different ad hoc creditor groups regarding a potential forbearance agreement, and assisted PBA in responding to various due diligence inquiries from such groups.

k) Commonwealth-PREPA

39. In addition to the services provided directly to PREPA and billed pursuant to the PREPA Engagement Letter, OMM also assisted AAFAF in matters relating to PREPA's Title III case during the Compensation Period. Such efforts were not duplicative and involved separate, but carefully coordinated, work streams.

l) Commonwealth-PRIFA

40. This category includes all matters relating to AAFAF in connection with ongoing restructuring efforts related to the Puerto Rico Infrastructure Financing Authority ("PRIFA"), which at the present time is not a Title III debtor. During the Compensation Period, OMM attorneys prepared an analysis of the liens against PRIFA and researched various issues related to same. OMM attorneys also researched issues and drafted memoranda on potential paths forward for the entity.

m) FOMB Investigation

41. This category relates to all work done in connection with the Oversight Board's investigation, conducted by Kobre & Kim, regarding the historical debt-issuance practices of the Commonwealth and certain of its instrumentalities as authorized under PROMESA Section 104(o). During the Compensation Period, OMM professionals spent considerable time engaged in discovery, including drafting confidentiality agreements, responding to document requests by Kobre & Kim and various statutory committees, and drafting and filing objections regarding the scope of the investigation and related document productions and the applicability of various privileges and immunities.

ATTORNEY CERTIFICATION

42. In accordance with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4), the undersigned has reviewed the requirements of Puerto Rico Local Bankruptcy Rule 2016-1(a)(4) and certifies to the best of his information, knowledge, and belief that this Application complies with Puerto Rico Local Bankruptcy Rule 2016-1(a)(4). In this regard, and incorporated herein by reference, the *Certification of John J. Rapisardi* in accordance with the U.S. Trustee Guidelines is attached hereto as **Exhibit A**.

NO PRIOR APPLICATION

43. No prior application for the relief requested by this Application has been made to this or any other court.

WHEREFORE, OMM respectfully requests that the Court enter an order: (a) awarding OMM compensation for professional and paraprofessional services provided during the Compensation Period in the amount of \$4,402,648.26; (b) reimbursement of actual, reasonable and necessary expenses incurred in the Compensation Period in the amount of \$136,119.82; and (c) granting such other relief as is appropriate under the circumstances.

Dated: March 26, 2019
New York, NY

Respectfully submitted,

/s/ John J. Rapisardi

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*Attorneys for the Puerto Rico Fiscal Agency and
Financial Advisory Authority*

Exhibit A

ATTORNEY CERTIFICATION

**UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

**Re: ECF Nos. 1063, 1150, 1715,
3269**

(Jointly Administered)

**CERTIFICATION OF JOHN J. RAPISARDI PURSUANT TO PUERTO RICO LOCAL
BANKRUPTCY RULE 2016-1(a)(4)**

John J. Rapisardi, under penalty of perjury, certifies as follows:

1. I am a partner with the law firm of O'Melveny & Myers LLP ("OMM"). I make this certification in accordance with Rule 2016-1(a)(4) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico (the "Local Rules") regarding the contents of applications for compensation and expenses.

2. I am familiar with the work performed by OMM for Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), acting for or on behalf of the Debtors.

3. I have read the *Fifth Interim Application of O'Melveny & Myers LLP for Allowance*

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations.)

of Compensation for Services Rendered and for Reimbursement of Expenses As Counsel to the Debtors for the Period From October 1, 2018 through January 31, 2019 (the “Application”), and the facts set forth therein are true and correct to the best of my knowledge, information, and belief.

4. To the best of my knowledge, information, and belief, formed after reasonable inquiry, the fees and disbursements sought in the Application are permissible under the Fee Examiner Guidelines, PROMESA, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the Interim Compensation Order, the *Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses by Attorneys in Larger Chapter 11 Cases*, effective November 1, 2013 (the “Guidelines”), and the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Puerto Rico.

Dated: March 26, 2019

/s/ John J. Rapisardi
John J. Rapisardi